

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE	§	
MAZADA ENTERPRISES, INC.,	§	CASE NO. 06-33139-H4-11
Debtor	§	CHAPTER 11
AHARON ERIC PROBA,	§	
Plaintiff	§	
VS.	§	ADVERSARY NO. 06-3475
LARRY CAPLAN	§	
Defendant	§	

FINAL JUDGMENT

On September 8, 2006 came on for trial the Complaint for Declaratory Judgment and to Determine Ownership Interest in Stock, filed by Aharon Eric Proba; the Corrected First Amended Joint Response in Opposition to the Complaint filed by Larry Caplan, Pro Se and the Debtor, Mazda Enterprises, Inc.; and the Petition in Intervention and Request for Imposition of Sanctions Pursuant to Rule 9011, filed by Trustmark National Bank. Mazda Enterprises, Inc., appeared through its attorney of record, James B. Jameson, and announced ready for trial. Aharon Eric Proba appeared in person and through his attorney of record, Karen R. Emmott and announced ready for trial.. Larry Caplan appeared in person and represented himself *pro se* and announced ready for trial. Trustmark National Bank appeared through its designated representative and through its attorney, Michael C. Falick, and announced ready for trial. The Court determined that it had jurisdiction over the subject matter and the parties to this proceeding.

The Court received testimony and documentary evidence, reviewed the pleadings and record as a whole, and heard the argument of counsel and Larry Caplan, *pro se*. The Court renders judgment for Aharon Eric Proba and Trustmark National Bank.

The Court orally issued its findings of fact and conclusions of law and recorded them in open court at the conclusion of the trial of this matter. These findings of fact and conclusions of law included a finding that Larry Caplan had no authority to file this bankruptcy case, had no authority to act as the Debtor's President, and filed this bankruptcy case in bad faith. Based on these findings of fact and conclusions of law, the Court enters the following orders:

BB
ORDERED, ADJUDGED AND DECREED that Larry Caplan is sanctioned and shall pay damages to Aharon Eric Proba in the amount of \$6,666.00 for loss of personal income during the months of July, 2006 and August, 2006 and said funds shall be paid to Aharon Eric Proba in certified funds by 5:00 p.m. on October 18, 2006;

BB
ORDERED, ADJUDGED AND DECREED that Larry Caplan is sanctioned and shall pay the sum of \$45,500.00 representing Trustmark National Bank's cash collateral converted by Larry Caplan to his own use, and said funds shall be paid to Mazda Enterprises, Inc., in certified funds by 5:00 p.m. on October 18, 2006. Mazda Enterprises, Inc., shall hold the funds in trust in a separate account at Trustmark National Bank. No disbursements shall be made from the account holding these funds without an agreement between Mazda Enterprises, Inc., and Trustmark National Bank or further order from this Court.

BB
ORDERED, ADJUDGED AND DECREED that Larry Caplan is sanctioned and shall pay the sum of \$2,000.00 representing the funds he paid out of the Bankruptcy Estate to Steve Richards, and said funds shall be paid to Mazda Enterprises, Inc., in certified funds by 5:00 p.m. on October 18, 2006;

BB
ORDERED, ADJUDGED AND DECREED that Larry Caplan shall pay all of the reasonable and necessary attorneys' fees and costs incurred in this case by Aharon Eric Proba and Trustmark National Bank since July 7, 2006, the date this bankruptcy was filed. On Sept. 18, 2006, the Court held a hearing to determine the amount of the reasonable and necessary attorneys' fees and costs to be paid by Larry Caplan to Karen R. Emmott, attorney for Aharon Eric Proba, and to Michael Falick, attorney for Trustmark National Bank. The Court finds that the reasonable and necessary attorneys' fees and costs incurred by Aharon Eric Proba total \$ 28,914.05, and the reasonable and necessary attorneys' fees and costs incurred by Trustmark National Bank total \$ 48,563.96. The Court orders that Larry Caplan pay these amounts in certified funds by 5:00 p.m. on October 18, 2006;

BB
ORDERED, ADJUDGED AND DECREED that Larry Caplan is sanctioned in the additional amount of any and all funds of the Debtor that were expended for which no direct benefit to the Debtor can be shown. The Court will hold a separate hearing on Trustmark National Bank's Motion for Sanctions detailing these additional amounts.

BB
It is further ORDERED that Larry Caplan shall deliver the certified funds to Mr. Emmott.
The Court orders execution to issue for this Judgment. The Court denies all relief not granted in this Judgment. This is a FINAL JUDGMENT. *

SIGNED this 18th day of Sept., 2006.


JEFF BOHM
UNITED STATES BANKRUPTCY JUDGE

BB
* It is further ORDERED that if Larry Caplan fails to pay any of the amounts set forth above by 5:00 p.m. on October 18, 2006, then he shall be in contempt of this Court, the consequences of which shall be incarceration and/or further monetary sanctions, or both.

APPROVED AS TO FORM AND SUBSTANCE:

/s/ Karen R. Emmott

Karen R. Emmott

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/s/ Michael C. Falick

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APPROVED AS TO FORM ONLY:

/s/ James B. Jameson

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